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SUBJECT: EXPERIENCE ENGAGING THE ETHIOPIAN DIASPORA

REF: STATE 86401

1. (SBU) Per reftel, Embassy Addis Ababa compiled experiences engaging the Ethiopian diaspora community from relevant agencies at post. Post's point of contact for future submissions is Political/Economic Officer Skye Justice (justicess@state.gov). Responses to specific reftel questions follow:

A) To what extent are diasporans from your host country an identifiable community? Are there existing diaspora networks, organizations or online communities available as platforms for outreach?

There are two million estimated members of the Ethiopian diaspora worldwide, with as many as one million of those living in North America. Sizeable, well-organized diaspora communities are present in many larger U.S. cities. Both formal and informal networks are common, with some focused primarily on shared cultural and religious heritage, and others focused on business networks or political interests.

From a political and business perspective, there are at least four clearly identifiable sub-groups within the Ethiopian diaspora in the U.S.: 1) politically-active supporters of the current Ethiopian government (GoE); 2) a politically-active opposition to the current GoE; 3) apolitical, pro-business insiders (notably in Seattle and Los Angeles) likely to return to and invest in Ethiopia; and 4) an apolitical group interested in returning who might invest, but are less business-oriented.

Various newsletters, radio programs, and websites target the Ethiopian diaspora and promote connections within the community. Many of these actively reach out to residents of Ethiopia as well; some are censored by the GoE for political reasons.

B) What is the nature of the connection of the diaspora community to the host country? Examples include kinship networks; educational or other institutional ties; financial support as from remittances; and direct participation in community or country affairs and civil society.

Ethiopian diasporans commonly connect through kinship and ethnic networks. Educational and professional societies (e.g., associations of Ethiopian physicians and attorneys) are present, if less common. The National Bank of Ethiopia estimates that private diaspora remittances totaled USD 1.8 billion for the 2008 fiscal year, representing an important source of desperately-needed foreign exchange. Many diasporans are involved in charitable or civic outreach to their communities in Ethiopia; family- and community-based outreach is more common than more formal civil society organizations. Many diasporans pay close attention to, or are involved in, Ethiopian politics.

C) To what extent has your host country or government activated its diaspora communities for humanitarian relief? How would you characterize the level of response? If outreach is relatively

recent, do you foresee opportunities to maintain diaspora community involvement in country over the long term?

Large-scale, organized humanitarian activity has not been pursued by either the GoE or the Ethiopian diaspora community. However, diasporans support their relatives and local communities in Ethiopia in many ways. While the potential for further support is significant, diasporans are more likely to donate to charities or sub-national groups, rather than the GoE.

D) To what extent is the diaspora community engaged in long-term investment in country, for example micro-enterprise development, job creation, entrepreneurship, and institutional capacity building? What is post's assessment of the future potential for long-term and sustained engagement of the diaspora community in such efforts?

Members of the diaspora play a major role in Ethiopia's economy. Direct investment in construction, manufacturing, and agro-business is significant and continues to grow. There is enormous potential for long-term and sustained engagement of the diaspora community in investment, including in relatively under-developed sectors of the economy such as tourism and trade in services.

E) To what extent is the diaspora community working toward scientific, engineering, medical and educational institution building? How might diasporans with backgrounds in these fields or otherwise affiliated with the Academy, or professional and technical societies, become engaged in science diplomacy programs?

Many highly-skilled diasporans (including many trained in Ethiopia) work in medical, scientific, and academic fields abroad. There are

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a few initiatives to tap into this knowledge-base. For example, Addis Ababa University recruits members of the diaspora to return to Ethiopia and teach intensive university-level courses in their field of expertise for one month, providing for travel and accommodation, as well as a small stipend. Such initiatives operate on a small scale, without organized outreach. There is clearly potential for expansion of these programs. Limited job opportunities, very low salaries, and a poor investment climate in Ethiopia are deterrents to return for many diasporans, and political considerations also play a role.

F) To what extent is the diaspora community engaged in conflict resolution and peace building? Do you see future potential to translate diaspora community participation in these processes into other priorities governing the bilateral (and/or regional) relationship?

Ethiopian diaspora engagement in conflict resolution activities has been very limited. One major exception is the group of diasporans who returned to help end the conflict surrounding the 2005 elections, noted below.

G) To what extent is the diaspora community engaged in meeting the health, education and welfare needs of indigenous peoples?

As noted above, many highly-skilled Ethiopian professionals reside outside the country. However, the number of returnees to Ethiopia with engineering and medical degrees and experience has increased. For example, there have been several missions in Ethiopia conducted by diasporan doctors who performed medical operations in collaboration with local hospitals. And two of post's 2010 U.S. Fulbright scholars are Ethio-Americans engaged in hydrology and environmental engineering studies and projects in Ethiopia.

H) To what extent is the diaspora community engaged in democracy promotion, electoral reform and civil society development? Are there key milestones in your host country or host government's development that would create opportunities for such engagement in the future?

Many diasporans are involved, or attempt to be involved, in

advancing political reform. Diasporans who belong to the political opposition play the role of spoilers, and the GoE actively attempts to restrict their involvement in political matters in Ethiopia. Opposition parties and sub-national movements (some deemed terrorists by the GoE), such as the Oromo Liberation Front and Ginbot 7, maintain offices abroad. Conversely, the effort of a small group of diasporans was strongly felt during the national crisis after the election of 2005, when diaspora leaders collaborated with local elders to contribute to national reconciliation. Positive engagement is more common at the personal, rather than party level.

I) How would you characterize the level of concern and attention given to diaspora communities by your host government? If applicable, please describe the host government's organization and strategy dedicated to relationship-building with its diaspora communities. For example, host governments may have established promotion offices to encourage diasporans' return, bringing with them know-how and financial resources.

Ethiopia's Ministry of Foreign Affairs established a Directorate for Ethiopian Expatriate Affairs (EEA) in 2002. The EEA provides the following incentives for diasporans to return to invest in Ethiopia:

- Tax and customs free rights given for returnees.

- Issuance of urban land for the construction of residential buildings for those organized in housing cooperatives free of charge.

- Under proclamation 270/2002, foreign nationals of Ethiopian origin are treated as Ethiopian citizens in matters of investment. (Note: Because Ethiopia does not recognize dual citizens, diasporans who attain foreign citizenship are stripped of their Ethiopian citizenship. End note.)

- Foreign currency accounts.

In addition, the Ethiopian Embassy in Washington, DC maintains an office solely dedicated to outreach to the Ethiopian diaspora in the U.S. This office has particularly targeted the sub-group Post identifies as apolitical and interested in returning, who might invest but are less business-oriented.

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J) If post has undertaken programs to reach out proactively to diaspora community members, please share the circumstances that prompted the outreach effort, how outreach was conducted or programmed, personal impressions from the experience, and benefits from the outreach effort.

USAID currently funds the VEGA-Ethiopia AGOA Plus Project, which provides basic services to the diaspora community looking for investment opportunities within the country. The recently launched Diaspora Direct Investment (DDI) project under USAID's Development Credit Authority (DCA) program provides assistance to Ethiopians looking for loan services from local banks. The project leverages investment finance by way of sharing 50 percent of collateral requirement of the local banks for lending to diaspora investors. In addition, the project provides loan packaging services that include business plan improvements and assisting with documentation requirements for loan approval.

The USAID/VEGA-Ethiopia project also serves as a contact point for diaspora members seeking various information such as investment opportunities, trade and investment policies, rules, regulations, and procedures for doing business. The program conducted several diaspora Investment Forums both in Ethiopia and in the U.S. in collaboration with members of the diaspora and Ethiopian Embassy in the U.S. To sustain diaspora community engagement, there is a proposal to establish a one-stop-shop service center for diaspora networks and associations.

The Embassy's Public Affairs Section (PAS) also makes use of diaspora representatives in outreach programs. Each year, several of post's U.S. Fulbright Scholars are U.S. citizen diasporans. PAS taps them to speak to students and other groups about their American experience, as well on subjects of their own professional or academic expertise.

K) If post has received unsolicited requests from the diaspora community, please share the nature the requests, the considerations post took into account in formulating respective responses, and the outcomes of interaction.

PAS recently received a proposal from, and provided a grant from existing funds to, the Association of Ethiopian Alumni of American Universities to research and hold a workshop on the role of the diaspora in developing the Ethiopian economy. PAS also recently provided support to an Ethio-American who is opening a school of art and design in Addis Ababa. Both are examples of positive interactions between the Embassy and the diaspora community. In other instances, PAS has received proposals that are not fully developed, and has worked with diasporans to improve their proposals. Even when such proposals cannot be funded, PAS gains valuable insight from the ideas generated by the Ethio-American diaspora.

Occasionally, USAID/Ethiopia receives unsolicited proposals from diaspora. Unsolicited proposals in general are very rarely funded, as the USAID budget is earmarked and otherwise planned and approved well in advance of receipt of funds, with few discretionary funds.

L) To what extent has post designed or participated in public diplomacy programs customized to diaspora community needs and interests? Does post anticipate taking advantage of such opportunities in the future?

After the 2005 elections, PAS brought an Ethio-American with expertise on the U.S. government to Ethiopia through the U.S. Speakers Program to present a series of lectures on democracy and to meet with ruling party and opposition leaders. The visit was successful, and PAS brought the same visitor back in 2006 to conduct a workshop with high school teachers on ethics.

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